

**CHAPTER NO. 721**

**SENATE BILL NO. 375**

**By Cooper**

**Substituted for: House Bill No. 1056**

**By Ronnie Cole**

AN ACT To amend Tennessee Code Annotated, Title 6; Title 7; Title 65 and Title 67, relative to retail sales and distribution of liquefied petroleum gas.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Notwithstanding any other provision of law to the contrary, an electric cooperative may enter into or remain in the retail sales and distribution of liquefied petroleum gas (propane) and the services related to such business, including, but not limited to, the design, sale, distribution, lease, rental, installation, construction, modernization, retrofit, maintenance or repair of propane gas-related systems, propane gas products or propane gas equipment; provided, however, such sales, distribution and services must be provided by a for-profit entity which, for purposes of this act shall mean a corporation, a limited liability company, a limited partnership, or a limited liability partnership.

SECTION 2. The for-profit entity must maintain separate financial records. The cost of all equipment, assets, and services utilized by the for-profit entity in the sale and distribution of propane shall be fairly allocated to the for-profit entity, provided however, that any equipment or assets utilized solely by the for-profit entity for the sale and distribution of propane shall be leased or purchased by the for-profit entity. There shall be no loans or grants to the for-profit entity from an electric cooperative unless such loans and grants shall be repaid together with fair market rate interest charges by the for-profit entity. The for-profit entity shall be liable for taxes, both state and federal, if applicable. All costs of doing business shall be borne by the for-profit entity.


SECTION 3. Any person who has been damaged as a result of a violation of this act may bring an action to enjoin and restrain any violation of Sections 1 and 2 of this act and may in the same action seek damages in a court of competent jurisdiction against the for-profit entity. Available relief shall include, but not be limited to, monetary damages and injunctive relief.

SECTION 4. This act shall not apply to the sale and distribution of propane in relation to or for use in fuel cell or other power generation devices.

SECTION 5. This act shall take effect January 1, 2003, the public requiring it.

PASSED: May 1, 2002

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 8<sup>th</sup> day of May 2002

  
DON SUNDQUIST, GOVERNOR